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SENATE BILL 27

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Allen V. Hurt

AN ACT

RELATING TO THE NEW MEXICO LOTTERY ACT; REQUIRING UNCLAIMED  
LOTTERY PRIZES TO BE PAID INTO THE GENERAL FUND; AMENDING A  
SECTION OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-24-21 NMSA 1978 (being Laws 1995,  
Chapter 155, Section 21, as amended) is amended to read:

"6-24-21. DRAWINGS FOR AND PAYMENT OF PRIZES-- UNCLAIMED  
PRIZES-- APPLICABILITY OF TAXATION. --

A. All lottery prize drawings shall be open to the  
public. If the prior written approval of the chief executive  
officer and the executive vice president for security are  
obtained, the selection of winning entries may be performed by  
an employee of the lottery. A member of the board shall not  
perform the selection of a winning entry. Drawings for a prize

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1 of more than five thousand dollars (\$5,000) shall be conducted  
2 and videotaped by the security division and witnessed by the  
3 internal auditor of the authority or his designee. Promotional  
4 drawings for a prize of less than five thousand dollars  
5 (\$5,000) are exempt from the requirements of this subsection if  
6 prior written approval is given by the chief executive officer  
7 and the executive vice president for security. All lottery  
8 drawing equipment used in public drawings to select winning  
9 numbers or entries or participants for prizes shall be examined  
10 and tested by the chief executive officer's staff and the  
11 internal auditor of the authority or his designee prior to and  
12 after each public drawing.

13 B. ~~Any~~ A lottery prize is subject to applicable  
14 state taxes. The authority shall report to the state and  
15 federal taxing authorities any lottery prize exceeding six  
16 hundred dollars (\$600).

17 C. The authority shall adopt rules, policies and  
18 procedures to conduct fair and equitable drawings and establish  
19 a system of verifying the validity of tickets claimed to win  
20 prizes and to effect payment of such prizes, provided:

21 (1) ~~no~~ a prize shall not be paid upon a  
22 ticket purchased or sold in violation of the New Mexico Lottery  
23 Act. Any ~~such~~ resulting prize shall constitute an unclaimed  
24 prize for purposes of this section;

25 (2) the authority is discharged from all

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1 liability upon payment of a prize;

2 (3) the board may by rule provide for the  
3 payment of prizes by lottery retailers, whether or not the  
4 lottery retailer sold the winning ticket, whenever the amount  
5 of the prize is less than an amount set by board rule. Payment  
6 shall not be made directly to a player by a machine or a  
7 mechanical or electronic device;

8 (4) prizes not claimed within the time period  
9 established by the authority are forfeited and shall be paid  
10 into the [~~prize~~] general fund. [~~No~~] Interest is not due on a  
11 prize when a claim is delayed;

12 (5) the right to a prize is not assignable,  
13 but prizes may be paid to a deceased winner's estate or to a  
14 person designated by judicial order;

15 (6) until a signature or mark is placed on a  
16 ticket in the area designated for signature, a ticket is owned  
17 by the bearer of the ticket, but after a signature or mark is  
18 placed on a ticket in the area designated for signature, a  
19 ticket is owned by the person whose signature or mark appears,  
20 and that person is entitled to any prize attributable to the  
21 owner; and

22 (7) the authority is not responsible for lost  
23 or stolen tickets. "